

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 SSO-00 NSCE-00

USIE-00 INRE-00 SP-03 AID-20 NSC-07 RSC-01 CIEP-03

TRSE-00 SS-20 STR-08 OMB-01 CEA-02 PA-04 PRS-01 AGR-20

SWF-02 CIAE-00 COME-00 FRB-03 INR-11 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 DRC-01 L-03 H-03 /201 W

----- 116152

O R 302237Z AUG 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 4390

INFO AMEMBASSY CANBERRA

AMEMBASSY WELLINGTON

USMISSION GENEVA

C O N F I D E N T I A L SECTION 1 OF 2 OTTAWA 2815

PASS AGRICULTURE FOR ASSISTANT SECRETARY
YEUTTER AND ADMINISTRATOR FAS

EO 11652 GDS

TAGS ETRD EAGR CA

SUBJ CANADIAN BEEF IMPORT QUOTAS

REFS OTTAWA 2648 AND OTTAWA 2666

1. EXTAFF'S WESTERN HEMISPHERE BUREAU DIRECTOR
GENERAL J.S. NUTT, ACCOMPANIED BY DIRECTOR OF USA
DIVISION GLEN SHORTLIFFE AND MARGARET CATLEY-CARLSON,
COMMERCIAL POLICY BRANCH, CALLED ME IN LATE TODAY
TO DELIVER GOC REPLY TO OUR NOTE NO. 142 OF
AUGUST 20. I WAS ACCOMPANIED BY COMMERCIAL
COUNSELOR AND AGATT.

2. VERBATIM TEXT FOLLOWS:
THE DEPARTMENT OF EXTERNAL AFFAIRS PRESENTS ITS
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COMPLIMENTS TO THE EMBASSY OF THE UNITED

STATES OF AMERICA AND HAS THE HONOUR TO REFER TO THE U.S. NOTE NUMBER 142 OF AUGUST 20 REGARDING THE U.S.-CANADIAN AGREEMENT ON A DES CERTIFICATION PROGRAM AND THE CANADIAN IMPORT CONTROLS ON LIVE CATTLE AND BEEF.

THE OBJECTIVE OF THE GOVERNMENT OF CANADA IN INTRODUCING IMPORT QUOTAS ON LIVE CATTLE AND BEEF WAS TO ENSURE THAT THE CANADIAN PROGRAMME OF STABILIZATION OF RETURNS TO LIVESTOCK PRODUCERS WAS NOT ADVERSELY AFFECTED BY DECLINING WORLD MARKET CONDITIONS. IN THE ABSENCE OF THE STABILIZATION PROGRAMME THE LONG-TERM FUTURE OF THE CANADIAN INDUSTRY WOULD HAVE BEEN JEOPARDIZED BY SHORT-TERM TRENDS.

THE CANADIAN GOVERNMENT SHARES THE UNITED STATES GOVERNMENT'S CONCERN THAT A FUNDAMENTAL DISEQUILIBRIUM IN WORLD BEEF PRODUCTION AND CONSUMPTION IS CAUSING SERIOUS PROBLEMS FOR BEEF PRODUCERS. THE CANADIAN GOVERNMENT NOTES, IN THIS CONNECTION, THAT BOTH JAPAN AND THE EEC HAVE ADOPTED POLICIES WHICH RESTRICT BEEF IMPORTS. THE CANADIAN GOVERNMENT FURTHER NOTES THAT PER CAPITA CONSUMPTION OF BEEF IN THE U.S. DECLINED IN 1973. IT IS THE VIEW OF THE CANADIAN GOVERNMENT THAT IT IS THE COMBINATION OF THESE PLUS OTHER FACTORS WHICH HAS LED TO THE CURRENT WORLD BEEF SITUATION.

ALTHOUGH A NUMBER OF COUNTRIES, INCLUDING THE UNITED STATES AND CANADA, HAVE INDICATED A WILLINGNESS TO SEEK MULTILATERAL SOLUTIONS TO THE CURRENT SITUATION, NO SUCH PROPOSALS HAVE SO FAR BEEN ADVANCED WHICH WOULD PROTECT PRODUCERS FROM THE ADVERSE EFFECTS OF THE SITUATION. THE QUANTITATIVE RESTRICTIONS IMPOSED BY THE CANADIAN GOVERNMENT WERE DESIGNED TO ENSURE THAT IN THIS PERIOD OF DISEQUILIBRIUM SHIPMENTS TO CANADA WOULD NOT EXCEED VOLUMES WHICH THE CANADIAN MARKET HAS BEEN TRADITIONALLY ABLE TO ABSORB DURING NORMAL

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MARKET CONDITIONS. NORMAL MARKET CONDITIONS DID NOT PREVAIL IN 1973. THEREFORE THE CANADIAN GOVERNMENT DECIDED THAT 1973 WOULD NOT BE AN APPROPRIATE TIME PERIOD UPON WHICH TO BASE IMPORT QUOTAS.

AT THE TIME OF THE PUBLIC ANNOUNCEMENT OF THE CONTROLS AND IN SUBSEQUENT DISCUSSIONS, CANADIAN

AUTHORITIES INDICATED THAT THEY WERE PREPARED TO DISCUSS MEANS WHEREBY THE SPECIFIC INTERESTS OF SUPPLYING NATIONS MIGHT BE ACCOMMODATED WITHIN THE OVERALL FRAMEWORK OF THE IMPORT QUOTAS. THE CANADIAN GOVERNMENT WISHES TO REITERATE ITS READINESS TO ENTER INTO SUCH CONSULTATIONS WITH THE UNITED STATES.

THE CANADIAN GOVERNMENT CANNOT ACCEPT ANY SUGGESTION THAT OBJECTIVES OTHER THAN THE ENFORCEMENT OF CANADIAN HEALTH PROTECTION REGULATIONS ENTERED INTO THE ASSESSMENT OF WHAT WOULD CONSTITUTE AN APPROPRIATE DES CERTIFICATION SCHEME. THE CANADIAN GOVERNMENT CONSIDERS THAT THE ULTIMATE U.S. AND CANADIAN AGREEMENT ON AN APPROPRIATE CERTIFICATION SCHEME CONSTITUTES ACKNOWLEDGEMENT OF THE LEGITIMACY OF THE CANADIAN CERTIFICATIONS REQUIREMENT.

THE DEPARTMENT OF EXTERNAL AFFAIRS AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY OF THE UNITED STATES OF AMERICA THE ASSURANCES OF ITS HIGHEST CONSIDERATION. END VERBATIM TEXT

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3. IN ORAL PREFACE, NUTT SAID NORMALL GOC WOULD HAVE WANTED TO CONSULT PRINCIPAL SUPPLIERS BEFORE INSTITUTING IMPORT QUOTAS, BUT CANADIAN MARKET CONDITIONS AT THE TIME MILITATED AGAINST THIS. HE SAID GOC CABINET, HAVING CONSIDERED REACTIONS OF PRINCIPAL SUPPLIERS, NOW AUTHORIZING GOC OFFICIALS TO EXAMINE ALL REPEAT ALL ASPECTS OF THE IMPORT QUOTAS EXCEPT THE BASIC ISSUE OF THE QUOTAS THEMSELVES. HE ADDED, HOWEVER, THERE SHOULD BE NO REPEAT NO EXPECTATION THAT CABINET WOULD READILY CHANGE ITS MIND ABOUT THE BASE YEARS, I.E., 1969 THROUGH 1973.

4. AFTER READING EXTAFF NOTE, I ASKED WHETHER GOC SIMILARLY PROPOSING CONSULTATIONS WITH AUSTRALIA AND NEW ZEALAND, AND NUTT REPLIED AFFIRMATIVELY, SAYING WE WERE FIRST TO BE CALLED IN.

5. I SAID WE HAD HOPED FOR A MORE FORTHCOMING
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RESPONSE. WASHINGTON CAREFULLY CONSIDERING NEXT STEPS AND I COULD NOT PREDICT WHAT IMPACT THIS GOC REPLY WOULD HAVE THERE. NUTT SAID GOC HOPES USG WILL TAKE THIS OPPORTUNITY TO EXPOUND ALL ITS VIEWS ON SUBJECT TO GOC. HE SAID GOC WOULD WELCOME TALKS IN OTTAWA VERY SOON, E.G. WITHIN A WEEK OR TWO, IN ANY FORMAT; BUT CAUTIONED THAT GOC OFFICIALS COULD ONLY LISTEN AND REPORT TO CABINET.

6. I SAID THAT IF SUCH TALKS HELD THEY MUST BE MEANINGFUL AND NOT SIMPLY A REVIEW OF DETAILS OF QUOTAS WITHOUT ANY GIVE ON GOC SIDE.

7. NUTT EXPRESSED HOPE THAT USG WOULD AVAIL ITSELF OF INSTANT PROPOSAL TO CONSULT BEFORE TAKING ACTION; AND ASKED TOBE INFORMED IF USG REACTION NEGATIVE TO CONSULTATIONS AND IN THAT EVENT FURTHER ASKED FOR ADVANCE NOTICE OF ACTION CONTEMPLATED BY USG. I SAID EMBASSY HAS ALREADY GONE ON RECORD WITH WASHINGTON TO THIS END.

8. SHORTLIFFE ASKED OUR VIEWS ABOUT RELEASING PUBLIC STATEMENT THAT GOC HAD RESPONDED (TO OUR AUGUST 20 NOTE) AND I INDICATED WE WOULD GO BACK TO HIM ON THIS.

9. COMMENT: WHILE EMBASSY UNABLE TO PREDICT HOW MUCH IF ANY GIVE THERE IS IN GOC POSITION, AS STATED IN ITS NOTE AND EXTAFF OFFICIALS' ORAL AMPLIFICATION, IT IS NEVERTHELESS CLEAR THAT EXTAFF VERY DESIROUS OF HAVING FULL EXPOSITION OF USG VIEWS FOR PRESENTATION TO CABINET. WE THEREFORE RECOMMEND ACCEPTANCE OF PROPOSAL TO CONSULT ON IMPORT QUOTAS IN OTTAWA ASAP, WITH U.S. SIDE PREPARED TO SIGNAL OUR ALTERNATIVE COURSES OF ACTION IN ABSENCE OF INDICATIONS OF EARLY SATISFACTORY GOC MODIFICATION OF IMPORT QUOTAS.

10. REGARDING PUBLICITY ON GOC RESPONSE RECEIVED TODAY, I PLAN TO GO BACK TO SHORTLIFFE SUGGESTING BOTH SIDES MERELY ACKNOWLEDGE ITS EXISTENCE IF ASKED, CONFIDENTIAL

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BUT REFRAIN FROM DISCLOSURE OF OR COMMENT ON SUBSTANCE. JOHNSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, LIVESTOCK, MEATS, IMPORT QUOTAS, IMPORT CONTROLS, AGRICULTURAL PRICE SUPPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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TAGS: ETRD, EAGR, CA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005